

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES

PMB 2020 JOE FOSS BUILDING 523 EAST CAPITOL PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

February 22, 2013

Peter MacIntyre Continental Resources P.O. Box 268870 Oklahoma City, OK 73102

Dear Mr. MacIntyre:

Re: Case No. 02-2013 – approval of major modification to permit to inject

Thank you for your application filed January 10, 2013, requesting a major modification to the permit to inject for the existing SBRRU 21-13H, SBRRU 42-10H and BRRU 32-21H air injection wells in Harding County, South Dakota.

The department published a Notice of Recommendation for Case No. 02-2013, recommending approval of the application. The date for intervention was February 19, 2013, and no parties petitioned the Board of Minerals and Environment for a hearing on the application by the deadline.

Therefore, in accordance with the Administrative Rules of South Dakota (ARSD) 74:12:07 and 74:12:09, approval of the application is hereby granted. The permit is conditioned on compliance with all applicable requirements of South Dakota Codified Laws 45-9 and ARSD 74:12. Please refer to the enclosed Notice of Recommendation for specific terms and conditions.

Thank you for your interest in protecting the water resources of the state.

Sincerely,

Steven M. Pirner

Secretary

Enclosure

STATE OF SOUTH DAKOTA SECRETARY OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC., OKLAHOMA CITY, OKLAHOMA, TO INCREASE MAXIMUM INJECTION VOLUMES AT THE EXISTING SBRRU 21-13H INJECTION WELL LOCATED IN THE NE ¼ NW ¼ SECTION 13, TOWNSHIP 20 NORTH, RANGE 4 EAST; THE SBRRU 42-10H INJECTION WELL LOCATED IN THE SE ¼ NE ¼ SECTION 10, TOWNSHIP 20 NORTH, RANGE 4 EAST; AND THE BRRU 32-21H INJECTION WELL LOCATED IN THE SW ¼ NE ¼ SECTION 21, TOWNSHIP 21 NORTH, RANGE 4 EAST, IN THE SOUTH BUFFALO RED RIVER UNIT AND BUFFALO RED RIVER UNIT, HARDING COUNTY, ABOUT 10 MILES NORTHWEST OF BUFFALO, SOUTH DAKOTA.

NOTICE
OF
RECOMMENDATION
FOR MAJOR MODIFICATION TO
A PERMIT TO INJECT

OIL AND GAS CASE NO. 2-2013

Notice is hereby given to the public and to all interested persons that pursuant to South Dakota Codified Laws (SDCL) Chapter 1-26 and Chapter 45-9 and further pursuant to the Administrative Rules of South Dakota (ARSD) 74:12:07 and 74:12:09, the following matter has come to the attention of the Secretary of the Department of Environment and Natural Resources, hereinafter "Secretary."

Continental Resources has submitted a major modification application to the Secretary requesting an increase in the injection volumes at the SBRRU 21-13H air injection well, the SBRRU 42-10H air injection well, and the BRRU 32-21H air injection well to 5,000 thousand cubic feet per day. No other permit condition changes were requested. The requested volume increase will not affect any underground sources of drinking water.

The Secretary recommends approval of the application with the following conditions:

- 1) Injection operations authorized under the permit to inject must be conducted in accordance with SDCL Chapter 45-9, ARSD 74:12 and any applicable orders or rules promulgated by the board including Oil and Gas Case Nos. 3-2012, 6-2012 and 19-2012;
- 2) The maximum injection rate at the above referenced air injection wells must not exceed 5,000 thousand cubic feet per day during injection operations;
- 3) A mechanical integrity test must be successfully conducted prior to increasing the maximum injection rate to 5,000 thousand cubic feet per day. The well casing must pass the mechanical integrity test at 1,000 pounds per square inch surface pressure. The operator is required to notify the Secretary a minimum of 72 hours prior to running a mechanical integrity test;
- 4) Once mechanical integrity is established, the well must be retested at least once every five years to ensure that mechanical integrity is maintained, unless the department indicates differently;
- 5) If an unsuccessful pressure test occurs, the operator must cease operations immediately if it is determined the injection will threaten any underground source of drinking water. If the failure is not threatening ground water, the operator must cease operations within 48 hours

after receipt of the department secretary's notice, and take corrective action on the well as soon as feasible. Corrective action options include repairing the well so that a successful test result can be obtained, plugging and abandoning the well, or any other action approved by the department.

Authority for the Secretary to approve this application is contained in ARSD 74:12:07 and 74:12:09. Unless a person files a petition requesting a hearing on the above application pursuant to the provisions of ARSD 74:09:01 on or before February 19, 2013, the Secretary's recommendation will be considered final and the Secretary will approve the application in accordance with that recommendation. For additional information about the application, please contact Brian Walsh, Environmental Scientist III, Ground Water Quality Program, Department of Environment and Natural Resources, 523 East Capitol Avenue, Pierre, SD 57501; 605.773.3296 or email brian.walsh@state.sd.us.

January 31, 2013

Steven M. Pirner

Secretary

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